

Lincoln County E-911 Trust Authority
Lincoln County, Oklahoma

Financial Statements
As of and for the Years Ended June 30, 2012 and 2013

(With Independent Auditors' Report Thereon)

Audited By

Bill Ford

Certified Public Accountant

LINCOLN COUNTY E-911 TRUST AUTHORITY
Lincoln County, Oklahoma
For the Years ended June 30, 2012 and 2013

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WILLIAM A. FORD
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INDEPENDENT AUDITOR'S REPORT

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Board of Trustees
Lincoln County E-911 Trust Authority
Chandler, Oklahoma

I have audited the accompanying financial statements of the governmental activities and each major fund of the Lincoln County E-911 Trust Authority, Lincoln County, Oklahoma, as of and for the years ended June 30, 2012, and June 30, 2013, and the related notes to the financial statements, which collectively comprise Lincoln County E-911 Trust Authority, Lincoln County, Oklahoma's basic financial statements as listed on the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lincoln County E-911 Trust Authority, Lincoln County, Oklahoma, as of June 30, 2012, and June 30, 2013, and the respective changes in financial position for the years ended, in conformity with accounting principles generally accepted in the United States of America..

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statement is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 18, 2014, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of audits performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.



Bill Ford, C.P.A.

December 18, 2014

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2012 and 2013

	Governmental Activities 2012	Governmental Activities 2013
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 11,272	\$ 2,092
Accounts receivable	<u>62,078</u>	<u>64,446</u>
Total current assets	<u>73,350</u>	<u>66,538</u>
Non-Current assets:		
Capital assets, net of accumulated depreciation	\$ 247,468	\$227,338
Total non-current assets	<u>247,468</u>	<u>227,338</u>
Total assets	<u>\$ 320,818</u>	<u>\$293,876</u>
 <u>LIABILITIES</u>		
Current liabilities:		
Retirement plan payable	\$ 4,227	\$ 4,019
Payroll tax payable	<u>1,079</u>	<u>1,146</u>
Total current liabilities	<u>5,306</u>	<u>5,165</u>
 <u>NET POSITION</u>		
Nonspendable capital assets, net of related debt	\$ 247,468	\$227,338
Unassigned	<u>68,044</u>	<u>61,373</u>
Total net position	<u>\$ 315,512</u>	<u>\$288,711</u>

See accompanying notes to financial statements

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Function/Programs	Program Revenue			
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue
Governmental activities				
Emergency Communication Serv.	\$ 0	\$ 0	\$ 0	\$ (579,872)
Total governmental activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(579,872)</u>
Total government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (579,872)</u>
		Governmental Activities		
Changes in net position:				
Net (expense) revenue		\$ (579,872)		
General revenues				
Interest		115		
Tariff & Dispatch Fees		516,357		
Other		<u>29,102</u>		
Total general revenues		<u>545,574</u>		
Change in net position		(34,298)		
Net position - beginning		<u>349,810</u>		
Net position - ending		<u>\$ 315,512</u>		

See accompany notes to the financial statement

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Function/Programs	Expenses	Program Revenue			Net (Expenses) Revenue
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Emergency Communication Serv.	\$ 518,991	\$ 0	\$ 0	\$ 0	\$ (518,991)
Total governmental activities	<u>518,991</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(518,991)</u>
Total government	<u>\$ 518,991</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (518,991)</u>
Governmental Activities					
Changes in net position:					
Net (expense) revenue			\$ (518,991)		
General revenues					
Interest			8		
Tariff & Dispatch Fees			462,684		
Other			<u>29,498</u>		
Total general revenues			<u>492,190</u>		
Change in net position			(26,801)		
Net position - beginning			<u>315,512</u>		
Net position - ending			<u>\$ 288,711</u>		

See accompany notes to the financial statement

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012 and 2013

	General Fund 2012	General Fund 2013
<u>ASSETS</u>		
Cash and cash equivalents	\$ 11,272	\$ 2,092
Accounts receivable	<u>62,078</u>	<u>64,446</u>
TOTAL ASSETS	<u>\$ 73,350</u>	<u>\$ 66,538</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
 <u>LIABILITIES</u>		
Retirement plan payable	\$ 4,227	\$ 4,019
Payroll tax payable	<u>1,079</u>	<u>1,146</u>
TOTAL LIABILITIES	<u>\$ 5,306</u>	<u>\$ 5,165</u>
 <u>FUND BALANCES</u>		
Unassigned	<u>\$ 68,044</u>	<u>\$ 61,373</u>
TOTAL FUND BALANCES	<u>\$ 68,044</u>	<u>\$ 61,373</u>

See accompanying notes to financial statements

LINCOLN COUNTY E-911 TRUST AUTHORITY
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2012 and 2013

	<u>2012</u>	<u>2013</u>
Unassigned in general fund	\$ 68,044	\$ 61,373

Amounts reported in the statement of
net assets are different because:

Capital Assets used in governmental activities are
not financial resources and therefore are not
reported in the governmental funds.

Capital assets	\$ 338,031	338,031
Accumulated depreciation	<u>(90,563)</u>	<u>(110,693)</u>
 Total net position	 <u>\$ 315,512</u>	 <u>\$ 288,711</u>

See accompanying notes to financial statements

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2012 and 2013

	General Fund 2012	General Fund 2013
Revenue		
Tariff & dispatch fees	\$ 516,357	\$ 462,684
Interest	115	8
Other revenue	<u>29,102</u>	<u>29,498</u>
Total Revenue	<u>\$ 545,574</u>	<u>\$ 492,190</u>
Expenditures		
Current		
Bank fees & interest	0	192
Equipment lease	84,531	74,013
Insurance	76,379	63,133
Legal & professional	9,000	300
Office supplies	2,299	3,551
Olets fees	4,200	4,047
Operating expense	887	719
Payroll expense	299,645	285,318
Printing & Postage	885	811
Repairs & maintenance	2,408	1,935
Repeater lease	3,500	0
Retirement plan expense	59,088	50,461
Telephone	5,614	7,550
Utilities	6,500	5,500
Vehicle expense	<u>4,256</u>	<u>1,331</u>
Total expenditures	<u>\$ 559,192</u>	<u>\$ 498,861</u>
Net change in fund balances	(13,618)	(6,671)
Fund balances, beginning	<u>81,662</u>	<u>68,044</u>
Fund balances, ending	<u>\$ 68,044</u>	<u>\$ 61,373</u>

See accompanying notes to financial statements

LINCOLN COUNTY E-911 TRUST AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2012 and 2013

	<u>2012</u>	<u>2013</u>
Net change in Fund balances - total governmental funds	\$(13,618)	\$ (6,671)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. however, for governmental activities those costs are shown in the combined statement of net assets and allocated over their estimated useful lives as annual depreciation in the statement of activities. This is the amount by which capital outlay exceeds depreciation outlay in the period.

Depreciation expense	\$ (20,680)	\$ (20,130)
Change in net position	<u>\$(34,298)</u>	<u>\$ (26,801)</u>

See accompanying notes to financial statements

LINCOLN COUNTY E-911 TRUST AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 and 2013

1. ORGANIZATION

The Lincoln County E-911 Trust Authority (the "Authority") is a public trust created February 15, 2006, under provisions of Title 60, Oklahoma Statutes. The Declaration of Trust named residents, businesses, industries, and public institutions within Lincoln County, Oklahoma, as the beneficiary of the trust. The purpose of the trust is to provide consolidate public safety and emergency communication services to include sheriff, police, fire, emergency management, homeland security, volunteer fire districts, ambulance, and emergency medical responders who either operate as part of local government or contract with local governments, and other local government functions which can assist and/or facilitate the provisions of public safety and emergency response. Further purposes of the Authority are set forth in the Declaration of Trust.

The Authority is governed by a seven member board of trustees, which consist of the city managers of Chandler, Stroud, and Prague, Oklahoma, Lincoln County Emergency Management representative, Lincoln County Law Enforcement representative, Lincoln County Fire representative, and EMS Lincoln County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting and reporting policies applied in the preparation of the accompanying financial statements for the years ended June 30, 2012 and 2013, are as follows:

Government-Wide and Fund Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Authority as a whole. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and Authority general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A functional program is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating

activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these programs uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements - Fund financial statements of the Authority are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds.

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Authority's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 30 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources and expenses susceptible to accrual include: tariff fees, payroll tax, and retirement plan expense. In general, other revenues and expenses are recognized when cash is received or expensed.

Fund Types and Major Funds - The Authority is a special purpose governmental unit. It reports a general fund and no other funds.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and equity, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status - The Authority is a political instrumentality of Lincoln County, Oklahoma, and therefore, exempt from income taxes under the *Internal Revenue Code*.

Property and Equipment - Acquisition and construction costs of property and equipment are capitalized, and depreciation is provided on a straight-line basis over the estimated useful lives of the property and equipment as follows:

<u>Type of Assets</u>	<u>Years</u>
Signage	25
Leasehold improvements	25
Dispatch equipment	25
Other equipment	7
Office equipment	7
Vehicle	5

Compensated Absences - Personal leave and sick leave in varying amounts are granted by the Authority. The Authority does not record a liability for accrued compensated absences, and the amount of such liability, if any, at June 30, 2012 and 2013, is not known. It is believed that such a liability would not be material to the financial statements.

Operating Lease - The Authority leases, from the City of Chandler, the old city hall building on a year to year basis with an annual lease payment of one dollar. The fair market value of the lease has not been included on the financial statements because the amount is not readily determinable. The Authority pays the City \$500 per month as reimbursement for utilities.

Contributed Services - The Authority receives some amount of goods and services in carrying out the Authority's goals. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. The value of contributed services meeting the requirements of *SFAS No. 116* for recognition in the financial statements is not material and is not recorded in the financial statements.

3. CASH AND INVESTMENTS

The Authority's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of saving and loan associations, and trust companies. The Authority considers highly liquid investments with a maturity of two months or less when purchased to be cash equivalents. Collateral is required for demand deposits and certificates of deposit for all accounts not covered by federal deposit insurance. All investments are certificates of deposit.

Concentration of Credit Risk - The Authority maintains cash balances in one financial institution located in Chandler, Oklahoma. The balances are insured by the FDIC up to \$250,000, or collateralized by federal deposit insurance, direct obligations of the United States Government, or securities held by its agent in the Authority's name. Therefore, the Authority's cash deposits at June 30, 2012 and 2013, were not exposed to Custodial Credit Risk, Investment Credit Risk, Investment Interest Rate Risk, or Concentration of Investment Credit Risk.

4. TARIFF FEES

The voters of Lincoln County, Oklahoma, approved a countywide E-911 emergency communication system. The fees for this system are determined by the Oklahoma State Legislature. The fees charged per phone are 50 cents for each cell phone and 15% of the base land line fee for land line phones. The fees are collected by the user's telephone company. Each month the telephone companies remit these funds to the Authority. The Authority collected some tariff fees prior to the system being initiated. These funds were then sent to the City of Chandler, Oklahoma, who was responsible for the 911 system prior to the Authority being organized.

5. EMPLOYEES' RETIREMENT PLAN

The Authority participates in the state administered Oklahoma Public Employees' Retirement System, which is a cost-sharing multiple-employer public employee retirement system (OPERS). Under the System, contributions are made by the Authority and the participating employees into a defined benefit plan. A defined benefit plan promises its members a lifetime retirement when the member meets certain eligibility requirements. Each new employee becomes a member of OPERS on the first of the month immediately following the beginning date of employment, provided all three following requirements are met:

The position the employee holds is permanent.

The position the employee holds requires at least 1,000 hours work per year (12 months after date of employment), and

The monthly salary of the employee must at least equal the hourly rate of minimum wage for state employees.

Employees who meet all three requirements above are eligible for membership. With limited exceptions, membership is a condition of employment and is thus mandatory for all employees who meet eligibility requirements. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The Authority has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirement.

A member with eight years of creditable service may retire with normal retirement allowance at the age of 62 or with reduced benefits as early as age 55. The normal retirement allowance is paid monthly for life and then to beneficiaries, if certain options are exercised. A member leaving employment before attaining retirement age, but completing eight years of service, may elect to vest accumulated contributions and defer receipt of the retirement when the member becomes eligible. When a member dies in active service and has completed eight years of credited service, the beneficiary is entitled to a death benefit, and the member's contributions. The contribution rate for the Authority and its employees are established by statute and applied to the employee's earnings. The Authority is required by statute to contribute 15.5% for the ended June 30, 2012 and 16.5% for the year ended June 30, 2013 of the employee's annual compensation and the employee 3.5% of annual earnings.

Additional information and 10 year historical trend information can be obtained from the separately issued Oklahoma Public Employee's Retirement System Annual Report. The System issues an independent financial report, financial statements, and required supplementary information that can be obtained in writing at the Oklahoma Public Employee's Retirement System, Post Office Box 53007, Oklahoma City, OK 73152-3007, or by calling 1-800-733-9008, or by accessing their website at www.opers.ok.gov.

6. HEALTH CARE COVERAGE

The Authority paid \$492.54 during June 30, 2012, and \$516.50 during June 30, 2013 per month per employee for health, vision, dental, and \$10,000 of life insurance coverage. There is no cost to employees for this coverage, however, there is a cost to employees if they cover any family members. Voluntary term life coverage is available.

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 and 2013, were as follows:

	Balance <u>6/30/11</u>	<u>Change</u>		Balance <u>6/30/13</u>
		<u>6/30/12</u>	<u>6/30/13</u>	
Capital asset:				
Signage	\$108,950	\$	\$	\$108,950
Leasehold improvements	67,456			67,456
Dispatch equipment	101,184			101,184
Other equipment	27,069			27,069
Office equipment	16,872			16,872
Vehicles	<u>16,500</u>			<u>16,500</u>
Total capital assets	<u>\$338,031</u>	<u>\$</u>	<u>\$</u>	<u>\$338,031</u>
Less accumulated depreciation for:				
Signage	\$ 16,161	\$ 4,358	\$ 4,358	\$ 24,877
Leasehold improvements	9,443	2,698	2,698	14,839
Dispatch equipment	13,295	4,047	4,047	21,389
Other equipment	12,548	3,867	3,867	20,282
Office equipment	7,986	2,410	2,410	12,806
Vehicle	<u>10,450</u>	<u>3,300</u>	<u>2,750</u>	<u>16,500</u>
Total accum. depre.	<u>69,883</u>	<u>20,680</u>	<u>20,130</u>	<u>110,693</u>
Capital assets, net	<u>\$268,148</u>	<u>\$(20,680)</u>	<u>\$(20,130)</u>	<u>\$227,338</u>

Depreciation expense for the year ended June 30, 2012, and 2013 was \$20,680 and \$20,130 respectively.

8. EXPENSE PARTICIPATION

Lincoln County, Oklahoma, pays monthly half the salary and health coverage of the managing director of the Authority. He is also the director of the Lincoln County Emergency Management. A monthly check is received by the Authority for these payments.

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. The Authority is covered for these potential losses with insurance coverage.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 18, 2014, which is the date the financial statements were available to be issued.

WILLIAM A. FORD
CERTIFIED PUBLIC ACCOUNTANT
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CHANDLER, OKLAHOMA 74834

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

TELEPHONE
(405) 268-2405

Board of Trustees
Lincoln County E-911 Trust Authority
Chandler, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the Lincoln County E-911 Trust Authority, Lincoln County, Oklahoma, as of and for the years ended June 30, 2012, and June 30, 2013, and the related notes to the financial statements, which collectively comprise Lincoln County E-911 Trust Authority, Lincoln County, Oklahoma's basic financial statements and have issued my report thereon dated December 18, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Lincoln county E-911 Trust Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion in the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bill Ford, C.P.A.

December 18, 2014

LINCOLN COUNTY E-911 TRUST AUTHORITY
LINCOLN COUNTY, OKLAHOMA
SCHEDULE OF PRIOR PERIOD FINDINGS AND RESPONSES
JUNE 30, 2012 AND 2013

Prior Period Audit Findings and Responses

<u>ITEM</u>	<u>FINDINGS</u>	<u>RESPONSES</u>
2011-1	The Authority pays into the State of Oklahoma's retirement system (OPERS) for their employees. These payments are remitted monthly to OPERS based on each employees prior month's wages. During the fiscal period ended June 30, 2011, the Authority did not pay the monthly amounts due OPERS for a period of six months. I recommend these payments be monitored to assure payments are made when due	There has been staff changes and operations are being closely monitored by the new staff members, management, and the Board of Trustees.
2011-2	During the current and subsequent fiscal periods the Authority remitted payroll taxes to the Internal Revenue Service on a monthly basis. Under Internal Revenue Service regulations, when a certain level of payroll taxes are reached, an entity is required to submit payroll taxes more frequently. As a result of this, the Internal Revenue Service has assessed penalties and interest which the Authority is paying in the subsequent year at the rate of \$500 per month for 21 months. I recommend the Authority maintain payroll taxes in accordance to any regulatory requirements.	We were unaware of these requirements. There has been staff changes and payroll tax payments are made in accordance to Internal Revenue Service regulations.

Disposition of Prior Period Audit Findings

All retirement plan payments and past due payroll taxes have been paid and are current. All payroll tax deposits were made according to IRS regulations.